

State of New Mexico  
**ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT**  
Santa Fe, New Mexico 87505



**BRUCE KING**  
GOVERNOR

**ANITA LOCKWOOD**  
CABINET SECRETARY

August 25, 1994

Mr. Juan R. Velasquez  
United Nuclear Corporation  
1700 Louisiana N.E.  
Suite 230  
Albuquerque, NM 87110

**Re: Response to Recision of New Mexico Mining Act Owner/Operator Information**

Dear Mr. Velasquez:

This letter is in response to the United Nuclear Corporation (UNC) correspondence, dated June 21 and 29, 1994. The letters concerned the owner/operator status of several uranium properties, in which UNC had been involved. The owner/operator status and responsibilities, under the New Mexico Mining Act (the Act), relate directly to the requirements of Sections 69-36-5.D and 69-36-3.E.

The letters referenced above indicate that UNC believes it does not have a responsibility for reclamation under the Act for the sites listed below:

1. St. Anthony Mining Operation
2. Section 27 Mine
3. Northeast Church Rock Mine
4. Old Church Rock Mine
- ✓ 5. Sandstone Mine
6. Anne Lee Mine
7. John Bill Mine

**VILLAGRA BUILDING - 408 Galisteo**  
Forestry and Resources Conservation Division  
P.O. Box 1948 87504-1948  
827-5830  
  
Park and Recreation Division  
P.O. Box 1147 87504-1147  
827-7465

**2040 South Pacheco**  
Office of the Secretary  
827-5950  
  
Administrative Services  
827-5925  
  
Energy Conservation & Management  
827-5900  
  
Mining and Minerals  
827-5970

**LAND OFFICE BUILDING - 310 Old Santa Fe Trail**  
Oil Conservation Division  
P.O. Box 2088 87504-2088  
827-5800

Below please find MMD's response to UNC for each site referenced above:

**1. St. Anthony Mining Operation**

You have indicated that UNC terminated its lease for this site on November 1, 1988. However, Sections 69-36-3.E or 69-36-5.D do not indicate that once an operator's lease has been terminated that the operator is no longer responsible for the requirements stated in the Act. The language in the Act clearly indicates that an operator mining and producing within the specified time frame falls under the requirements of the Act.

UNC's letter, dated July 16, 1993, indicates that UNC did operate the St. Anthony Mine for a period of 2 years between January 1, 1970 and the effective date of the Act. If UNC operated the mine during the time frame stated under the definition of an Existing Mine, in Section 69-36-3.E, and produced for the given period, then the responsibility for reclamation or permitting remains whether or not the lease was terminated prior to the implementation of the Mining Act Rules.

It is MMD's opinion that the only way for an operator to be removed from the responsibilities of the requirements stated in the Act, is for MMD to approve in writing the transfer of responsibility for permitting and reclamation to another responsible party. If the Cebolleta Grant is willing to take over the full responsibility for the permitting and reclamation of this site, it may obtain the required permit.

**2. Section 27 Mine**

Please see explanation above, concerning the St. Anthony Mine. Again if Marquez family or Hecla Mining Co. is willing to take over the responsibility of permitting and reclaiming this site then either or both, jointly, may permit the site.

**3. Northeast Church Rock Mine**

Please see explanation above, concerning the St. Anthony Mine. For those portions of the site on Navajo trust lands (Sections 3 and 35, T17N, R16W), MMD will need more information concerning the surface and mineral ownership. Also, we will need to know if any reclamation has already been performed in these areas and under whose authority.

**4. Old Church Rock Mine**

Hydro Resources Inc. may have assumed responsibility for this site. HRI has filed a request for prior reclamation regarding a Church Rock site. The legal description

they provided for the site is Section 17, T16N, R16W. If this is the same site as UNC's Old Church Rock Mine, and the reclamation is satisfactory then no permit will be needed by any party.

**5. Sandstone Mine**

Please see explanation above, concerning the St. Anthony Mine.

**6. Anne Lee Mine**

Please see explanation above, concerning the St. Anthony Mine.

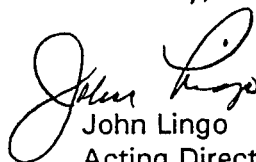
**7. John Bill Mine**

Please see explanation above, concerning the St. Anthony Mine.

Currently, MMD has no information from UNC concerning these sites other than the letters received on July 16, 1993, June 21 and 29, 1994. To come under compliance with the New Mexico Mining Act, it will be necessary to file a site assessment for these sites, provide written documentation from other parties which states an assumption of the responsibilities under the Act, or provide a request for prior reclamation. The deadline for filing a site assessment (June 30, 1994) has passed, but a site assessment is still needed. The deadline for filing a request for prior reclamation is August 31, 1994.

Please contact us as soon as possible with your response to this letter.

Sincerely,



John Lingo  
Acting Director  
Mining and Minerals Division

JL/hs

UNC.ltr